

Key Ideas

Chapter 6: Getting Started: Budget Forms

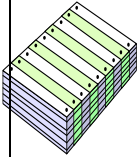


In this section, we will discuss the following:

- *Tips for putting together a local government budget.*
- *The Department of Local Government Finance Budget Order.*
- *Filling out Township Budget Form 2.*
- *Filling out Township Budget Form 3.*
- *Filling out Township Budget Form 4.*
- *Filling out Township Budget Form 4-B.*
- *Filling out Township Budget Form 5.*

GETTING STARTED

FORMS



- Township Ledger
- Current Department of Local Government Finance Budget Order
- Approved Department of Local Government Finance Additional Appropriation Orders
- Budget Form 1 – Township Budget Estimate
- Budget Form 2 – Estimate of Miscellaneous Revenue
- Budget Form 3 – Notice to Taxpayers of Budget Estimates and Tax Levies
- Budget Form 4 – Certificate of Appropriations
- Budget Form 4B – Budget Estimate – Financial Statement – Proposed Tax Rate
- Budget Form 5 – Budget Submission Letter and Certificate of Tax Rates

The first step in putting a budget together is to analyze the past year and current year budget.

TIPS



- Determine whether current items appropriated are actually needed.
Budgetary items that show no expenditures should not be appropriated.
- Should some appropriations be increased or should some be decreased?
Look at current and prior year disbursements. If money has been left over at the end of the year, you may want to consider reducing the appropriation; if additional appropriations were made, consider increasing the appropriation.
- Is there something new that will need to be funded?
- If I do add an item can the Township afford it?
- Don't wait until last minute to formulate the new budget – Begin preparation as soon as possible after June 30.

Note: The budget forms are scheduled to be available in the Spring of 2007 on the DLGF's website (www.in.gov/dlgf/).

THE BUDGET PROCESS

The budget process begins in early spring when the Trustee begins to analyze the appropriations that will be needed for the ensuing year. The DLGF holds budget workshops in July and August to meet with the units on the budget forms. At this time, the Trustee should present verification of cash balances and have each form completed as much as possible. The DLGF field representative will then advise the Trustee of dates and assist, if necessary, to determine publishing dates and other information as needed.

Note: Each budget form that needs to be completed is talked about in greater detail in the sections that follow this introduction to the budget process. The budget calendar, which details specific dates that steps of the budget process needs to be completed by, is included in chapter four of this manual.

When the budget workshop is completed, the Trustee will need to finalize the budget and publish appropriately in two newspapers. The Trustee will then need to make two copies of the budget to give to the County Auditor. One copy will be picked up by the DLGF field representative and will be the finalized forms the DLGF will need to process the unit's budget. The DLGF will hold budget hearings beginning in October to allow taxpayers from the district to comment on the budget submitted for approval. After the budget hearing is completed, the DLGF field representative will then begin to review the submitted budget forms, verify cash balances, if not already received, and check publication dates for timeliness, and update revenue estimates based on most recent information. Once this has been done, the field representative will begin entering the budget information into the budget program. When all units in the County have been worked, a 1782 Notice is sent to each taxing unit. The 1782 Notice is a preliminary budget based on what was submitted to the DLGF and what was advertised in the newspapers. The field representative will review the changes requested and make any that are allowed and reasonable. The 1782 Notice gives a unit fourteen (14) days, per statute, to respond with any changes. Once the 1782 Notice has expired, no other changes will be permitted, except for situational problems - such as not receiving the 1782 Notice. The field representative will then make any changes requested from the 1782 Notices and submit the final budget to the DLGF office in Indianapolis. Once the office receives the completed budget program from the field representative, they begin the necessary steps to finalize and certify the budget.

The office is responsible for verifying the field representative's work, running several reports to check totals and other information and then certifying and issuing the Budget Order, which is then signed by the Commissioner. The Budget Order is discussed in more detail at the end of this chapter.

TOWNSHIP TRUSTEE'S BUDGET ESTIMATE

BUDGET FORM 1

Budget Form 1 is utilized to estimate the necessary expenditures for the ensuing budget year. The form is divided into four (4) budget classifications as follows:

Personal Service includes salary, wages and employee benefits.

Supplies include office supplies, operating supplies and repair and maintenance.

Other Services and Charges are appropriated for services other than personal services, which are required by the township in carrying out its assigned functions such as legal services, communication and transportation, printing, insurance, rentals and debt service.

Capital Outlays are for the acquisition of land, buildings, machinery and equipment.

This is further divided into the most common funds applicable to townships.

The "Items" column is used to indicate that amount which the trustee will present to the Township Board for their approval at time of adoption. The "Total Estimate" column is used to total each budget classification. The total of the form is then transferred to Line 1 of Budget Form 4B in the "Amount Used to Compute Published Budget" column.

The right most column on Form 1 headed "Approved" is for use by the Township Board in adopting the budget. The board should approve each line item and each major category is then totaled. This total is transferred to Line 1 of Budget Form 4B in the "Appropriating Body" column.

The form must be completed for each fund to be appropriated. To arrive at this amount, the trustee must look at historical expenditures and anticipate future needs. As previously stated, if a certain item was increased in the previous year through additional appropriation, consideration should be given to increase the expenditure. If a substantial amount went unused in the previous year then the possibility of reducing or eliminating the item should be considered.

The Budget Form 1 should reflect needs, which the trustee considers necessary to perform the township's governmental function, without limiting the needs to comply with the maximum levy. In order for the Township Board to consider an excessive levy appeal a need for the increase must be itemized. It becomes the Township Board's responsibility to either make application for an excessive levy appeal or reduce appropriations to fall within the maximum levy guidelines.

This completes Budget Form 1

Estimate of Miscellaneous Revenues Budget Form 2

General:

Budget Form 2, Estimate of Miscellaneous Revenues accounts for revenue from all sources other than property taxes. The form is divided into two sections. Column A is for amounts expected to be received between July 1 and December 31 of the current budget year. Column B is for amounts expected to be received between January 1 and December 31 of the incoming budget year. This process accounts for revenues over an eighteen (18) month period

A separate Estimate of Miscellaneous Revenues must be prepared for each fund maintained by the township. No fund, of course, is likely to use every line or row on the form, but every fund should generate some revenue. There are various means to estimate the anticipated monies but the most common is by historical evidence. Base the estimates over a two-year period, adjusting for any increases or decreases. The County Auditor will provide information on some revenues for Columns A and B such as excise tax, commercial vehicle excise tax, financial institution tax and certified share distributions. These estimates will be forwarded on the Auditor's Certificate. Other sources of revenue are loan proceeds, contract fees and interest on investments.

The proper allocation of revenues to funds is extremely important. From a historical perspective not only can total amounts be estimated but also whether those amounts are staggered throughout the year. The allocation of excise tax among the funds is probably the most difficult to estimate, especially for Column B. License Excise Tax is distributed to only those funds, which receive a tax levy. The allocation is based upon the percentage of total levy to each fund. The total amount of license excise tax does not, in most cases, significantly change. However, the allocation between the funds can be dramatic.

Example:

| | | |
|----------------------------------|------|-----------------|
| Total Actual Excise Distribution | 1999 | \$12,577 |
| | 2000 | \$14,856 |
| | 2001 | <u>\$15,992</u> |
| Three Year Avg. | | \$14,475 |

| Fund | Levy | Percent of Levy | Excise to be Distributed |
|-------------|---------------|-----------------|--------------------------|
| General | 26,155 | 24% | \$3,474 |
| Poor Relief | 12,883 | 12% | \$1,737 |
| Fire | <u>69,138</u> | <u>64%</u> | <u>\$9,264</u> |
| Total | 108,176 | 100% | \$14,475 |

- Step 1: Compute a three year average of total actual excise tax received by the township. Each year's total can be found on the Auditor's Certificate of Distribution which is sent with the June and December Distribution.
- Step 2: Add the total amount levied from each fund for the incoming year.
- Step 3: Of the total amount from Step 2, divide that amount into each fund levy (e.g. \$26,155 divided by \$108,176 = 24%)
- Step 4: Multiply the three year excise tax average by the result of Step 3. This represents the amount of excise tax allocated to the fund. (e.g. \$14,475 X .24 = \$3,474)

It must be realized that the calculation of license excise tax will not be totally accurate. If the township can estimate 90% of its actual distribution that is about as close as can be expected. The amount of excise to be distributed to each taxing unit during June and December Settlement is based upon the amount of excise tax collected and that taxing unit's total property tax rates(s) as compared to other taxing unit's property tax rate(s). Excise distributions will fluctuate based on increases/decreases in property tax levies. Any excise refunds made in a taxing district also reduces the amount of excise distributions made between the taxing units in the district.

This completes Budget Form 2

ESTIMATE OF MISCELLANEOUS REVENUES
FROM SOURCES OTHER THAN GENERAL PROPERTY TAXES
FOR USE IN PREPARATION OF ESTIMATE OF FUNDS TO BE RAISED, YEAR 20__

ESTIMATED AMOUNTS TO BE RECEIVED

-A-
July 1, 2002
To
Dec.

-X-
Dept. of Local
Government
Finance

-B-
Jan. 1, 2003
To
Dec. 31, 2003

-X-
Dept. of Local
Government
Finance

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NOTICE TO TAXPAYERS OF BUDGET ESTIMATES AND TAX LEVIES

Budget Form 3

General

Budget Form 3 is used to advertise to the taxpayers the budgets and levies, which are to be raised in the ensuing year. In addition, this form notifies the taxpayers of the dates of the public hearing and adoption of the budget.

Publication of Form 3

This form must be published two times prior to the public hearing (first meeting) in either one or two newspapers as indicated in IC 5-3-1-4. The first advertisement must appear ten or more days before the public hearing and second advertisement must appear at least seven days after the first advertisement but a minimum of three days prior to the public hearing per IC 5-3-1-2. There must be a minimum of ten days between the public hearing and the adoption meeting according to IC 6-1.1-17-5.

Ex: If Public Hearing is held September 5, the adoption hearing cannot be held prior to September 15.

If an error was made in the preparation of the advertisement, a budget, rate or levy, it may be corrected in the second advertisement without penalty. If the newspaper fails to properly publish the advertisement a statement by the newspaper is sufficient. The newspaper must provide the documentation to the taxing unit to be included in the budget paperwork (IC 5-3-1-2).

Conduct of Hearings

The public hearing is for the benefit of the taxpayer. Copies of the budget should be made available to interested taxpayers. The Township Board should ask for comments from those in attendance and allow them the opportunity to speak for or against any budgetary items. The adoption meeting is where the Township Board meets to take final action on the budget. Ten (10) or more taxpayers have the right to submit their objections to the budget within seven (7) days after the public hearing. The Township Board, at the adoption meeting, must consider those objections and submit their findings and final actions, in writing, with the budget when presented to the County Auditor. In short, each objection must be addressed and the reason for the action taken. The adoption hearing is a public meeting, however, taxpayers do not have the right to testify or comment on the Township Board's actions (IC 6-1.1-17-5).

Notification Section: Form 3 – Notice to Taxpayers

Blank 1: Insert township name

Blank 2: Insert county name

- Blank 3: Insert address of meeting place
 Blank 4: Insert date of public hearing
 Blank 5: Insert year of public hearing
 Blank 6: Insert time of public hearing
 Blank 7: Insert ensuing budget year
 Blank 8: Insert location of adoption meeting
 Blank 9: Insert date of public hearing
 Blank 10: Insert year of public hearing
 Blank 11: Insert time of public hearing
 Blank 12: Insert telephone number of where to call for special assistance
 Blank 13: Insert civil unit assessed value
 Blank 14: Insert fire assessed value

Budget Estimates and Tax Levies

Column 1: *Fund Name:* The preprinted names are those funds most commonly used by townships. If a fund not listed is to be appropriated insert the fund name.

Column 2: *Budget Estimate:* The budget estimate is the amount of money, which is to be appropriated for each fund. This amount is taken from Budget Form 1 (See Appendix) Total Budget Estimate. If an amount is not placed in this section, no appropriation may be approved regardless of action taken by the appropriating body at the time of adoption.

Column 3: *Maximum Estimated Funds to be Raised (including appeals and levies exempt from maximum levy limitations):* This amount represents the tax levy required to fund the appropriation indicated in Column 2 (Budget Estimate). The amount is taken from Line 16 of Budget Form 4B (See Exhibit F-4B). This line must also include any amounts that represent excessive levy appeals. *If no excessive levy appeal amount is indicated in this section, no additional tax levy may be approved regardless of action taken by the appropriating body at time of adoption.*

Column 4: *Excessive Levy Appeals (included in Column 3):* This column represents the additional amount to be levied above the maximum permissible levy. This amount is included in Column 3 (maximum estimated funds to be raised). The amount in Column 4 is supported by an appeal to the Department of Local Government Finance under IC 6-1.1-18.5.

Column 5: *Current Tax Levy:* This column represents the amount of tax levy currently being collected for each fund. This amount is indicated on the 100% Budget Certification form for the current year.

Township Schools should refer to the School Manual: Townships which do not have a School Township should cross out this section to avoid charges for advertising.

This completes Budget Form 3

ESTIMATE – FINANCIAL STATEMENT – PROPOSED TAX RATE
Budget Form 4-B

General

Budget Form 4-B is used to account for those monies necessary to be raised for the ensuing budget year. The form is designed to account for an eighteen (18) month period, being the last six (6) months of the current budget year and the entire ensuing budget year.

This form is commonly referred to as the ***16 Line Statement***, which is derived from the numbers in the left most column. The form is also broken into three (3) sections:

- (a) Amounts Used to Compute Published Budget: This section is completed based upon the budget estimate as originally prepared from Budget Form 1. The aggregates of Line 16's, for funds under the maximum levy, may exceed the maximum permissible levy. That part which does exceed the maximum levy should be reflected in Column 4 of Budget Form 3, an excessive levy appeal should be initiated to increase the maximum permissible levy.
- (b) Unit and Fund Identification Section: Form 4B

The top of the form is used to identify the unit, fund name and assessed value of the fund necessary to compute the tax rate.

Blank 1: Taxing Unit – insert name of the township
Blank 2: County – insert name of the county
Blank 3: Fund – insert the name of the fund being computed
Blank 4: Net Assessed Valuation – insert the assessed valuation applicable to the fund (fire fighting fund may have an assessed valuation which excludes cities and towns). The County Auditor provides this figure in the Auditor's Certificate provided to each Taxing Unit by August 1.

(c) Financial Section

The financial section of the form, Lines 1 through 17, is divided into four sections:

- 1. The Appropriations Section – Lines 1 through 5
- 2. The Income Section – Lines 6 through 9
- 3. Amounts to be Raised by Tax Levy – Lines 10 through 16
- 4. Net Tax Rate – Line 17

Lines 1 through 5

Line 1: Represents the total budget estimate for the ensuing budget year. This figure is taken from the total of Budget Form 1 for the appropriate fund.

- Line 2:* Represents the amount of remaining appropriations for the period July 1 through December 31 of the current budget year. This line is not estimated. It is the result of the following:
- (a) Current year approved appropriations from Department of Local Government Finance Budget Order
PLUS
 - (b) Any amounts encumbered from the immediate prior year
PLUS
 - (c) Department of Local Government Finance approved additional appropriations during the period January 1 through June 30 of the current year. (This does not include those additional appropriations which may have been held prior to July 1, but rather those which have been approved by the DLGF for the period.)
MINUS
 - (d) Appropriated disbursement during the period January 1 to June 30 of the current year. (Do not include disbursements that are not appropriate, (e.g. investment purchases or disbursements to the levy excess fund.)).

The resulting computation is placed on Line 2

- Line 3:* Represents the amount of additional appropriations anticipated, if any, during the period July 1 to December 31 of the current year.
- Line 4:* Represents temporary loans, which have not been repaid prior to July 1 of the current year. This line is set out into two sections.
- Line 4a:* Are those temporary loans outstanding but must be repaid by December 31 of the current year.
- Line 4b:* Are those temporary loans outstanding but will not be repaid by December 31st of the current year. (This amount must be accompanied by a resolution of the Township Board stating the date of repayment.)
- If levy excess has not been removed from the fund prior to July 1, then that amount is recognized as being a loan from the levy excess fund.***
- Line 5:* Represents the total of Line 1 through Line 4b which represents the amount of appropriations needed for an eighteen (18) month period: Line 1 represents the ensuing year and Lines 2 through 4b represent current year appropriations.

The Income Section – Lines 6 through 9

- Line 6:* Represents the June 30 cash balance. This amount also includes any investments, which are evidenced by disbursements from the fund. Total monies invested or NOW accounts are not considered investments. This line must be the same as the June 30 ledger cash balance, plus investments.
- Line 7:* Represents the amount of property tax money to be received in the current year's December distribution. If the June distribution was deposited after June 30, then this amount would reflect the entire year tax distribution, minus any advance draws distributed prior to June 30.
- Line 8a* Represents funds, which are anticipated to be receipted into the fund during the period July 1 to December 31 of the current year other than property tax receipts. This amount is taken from the total of Column A, Budget Form 2.
- Line 8b* Represents funds, which are anticipated to be receipted into the fund during the period January 1 to December 31 of the ensuing budget year other than property taxes. This amount is taken from the total of Column B, Budget Form 2.
- Line 9:* Represents the total of Lines 6 through 8b, which is the total amount of cash from all sources to be received during the eighteen-month period July 1 of the current year to December 31 of the ensuing year.

Amounts to be Raised by Tax Levy – Lines 10 through 16

- Line 10:* Deduct Line 9 from Line 5, which represents the amount of tax money necessary to fund the ensuing budget (Line 1).
- Line 11:* This line is probably the most misunderstood of the budgeting process. The purpose of Line 11 is to allow the unit of government sufficient funds to operate during the period January 1 to June 30, less any miscellaneous revenues received, of the year subsequent to the ensuing budget year. The reasoning behind this theory is that the first tax distribution does not occur until June, it would be reasonable to assume that a unit would not have funds to meet operating expenses during this period. Line 11 is used to estimate the necessary funds for that subsequent period. However, those funds, which are estimated in Line 11, must be raised from the ensuing year's maximum permissible levy.

- Line 12:* Total of Line 10 plus Line 11. This amount represents the total amount of property taxes to be levied in order to fund Line 1, budget for the ensuing year, and Line 11, operating expenses for the first half of the subsequent year.
- Line 13:* Represents the amount of property tax replacement credit used to reduce taxpayer property tax burden. If the county has adopted the County Adjusted Gross Income Tax (CAGIT) the County Auditor will supply this amount. The amount can also be found on the maximum levy calculation sheet provided by the Department of Local Government Finance. (See Appendix for copy of Maximum Levy Sheet)
- Line 14:* Subtract Line 13 from Line 12
- Line 15:* Represents that amount of tax money, which was collected in excess of 100% of the certified budget levy calculated by the Department of Local Government Finance in the immediate prior year. **ONLY the Department of Local Government Finance will utilize this line.**
- Line 16:* Subtract Line 15 from Line 14. This amount represents the total amount of taxes to be levied to fund the ensuing year budget and first half of the subsequent budget year for a particular fund.

Net Tax Rate – Line 17

Line 17: Represents the tax rate necessary to raise the levy required by Line 16 by the following steps:

- (a) Divide the Net Assessed Value, at the top of the sheet, by 100 (or move the decimal point 2 places to the left).
- (b) Divide the Net Assessed Value, per \$100, into Line 16.
- (c) The result should be taken to four (4) decimal points.

Example: Net Assessed Value = 300,121,370 or 3,001,213.70

Tax Levy Line 16 = 1986203

Tax Levy / 100 = .6618

APPROPRIATING BODY: This section is completed based upon the budget as adopted by the Township Board. The Line 1 and Line 16 amounts may be the same or less than advertised, but cannot be more. The adopted rates are reflected on Budget Form 5.

TAX ADJUSTMENT BOARD and CONTROL BOARD AND DEPARTMENT OF LOCAL GOVERNMENT FINANCE FINAL ACTION: These sections are not to be completed by the township.

This completes Budget Form 4b

CERTIFICATE OF APPROPRIATIONS

Budget Form 4

General

Budget Form 4 is used to account for appropriations as *adopted* by the Township Board. The form is divided by fund and major budget classification totals. Reference to individual line items should be indicated on Budget Form 1. The most frequently used fund names are preprinted on the form.

As this is the only form, which indicates the official action of the appropriating body, it is necessary that this form be completed in proper form.

Unit Identification Section

The top of the form is used to identify the unit and to certify the date of the adoption meeting. The top left of the form, which indicates ID 504, may be left blank. The proper preparation of the form is as follows:

- Blank 1:* Insert name of township.
- Blank 2:* Insert name of county.
- Blank 3:* Insert the location of the adoption meeting.
- Blank 4:* Insert the day of the adoption meeting.
- Blank 5:* Insert the month of the adoption meeting.
- Blank 6:* Insert the year of the adoption meeting.

The reverse side of the form, at the bottom, is the certification section.

- Blank 1:* Insert the day, month and year of the date of adoption of the budget.
- Blank 2:* The Secretary of the Township Board should sign in this section as an attesting official.
- Blank 3:* The Chair of the Township Board should sign the form in this section as an attesting official.
- Blank 4:* Insert the name of the Township and the day, month and year of adoption.
- Blank 5:* Each member of the Township Board present for the adoption meeting should sign in their respective signature block.

For a budget to become adopted, a minimum of two (2) members of the Township Board must be present and sign the document. For township boards in a county with a population of more than 700,000, a minimum of four (4) members must be present to sign the document.

Township Budget Classification Section

This section is used to indicate the amount *adopted* for each fund by major budget classification. Each category should be indicated by an amount, even if that amount is \$0 to insure that each category has been considered and not omitted. Each fund should be totaled and should agree with the Budget Form 1 as modified by the appropriating body.

It should be noted that the Poor Relief Fund is divided into three (3) sections, 441 Welfare Administration, 442 Direct Assistance and 443 Other Assistance. Appropriations approved for Direct Assistance or Other Assistance cannot be used for Welfare Administration unless funds are transferred when the budget become effective.

This completes Budget Form 4

**Budget Submission Letter and Certificate
Certificate of Tax Rates
Budget Form 5**

Budget Form 5 is extremely important. The top section of the form is used by the Township Trustee to certify to the Auditor of the County that the budget was in-fact adopted.

Blank 1: Insert the name of the County.

Blank 2: Insert the name of the Township.

Blank 3: Insert the name of the County.

Blank 4: Insert the year of the incoming budget.

Blank 5: Insert the day, month and year of the budget adoption. This date must agree with the date advertised for the adoption of the budget.

The middle section of the form serves as notice of the tax rates, which were adopted by the Township Board. The rates which are adopted must reflect those as calculated on Budget Form 4B, line 17 of the Appropriating Body section of the form.

Blank 1 Insert the name of the Township.

Blank 2: Insert the name of the County.

Blank 3: Insert day, month and year of the date of adoption.

Blank 4: Insert the assessing year (assessment date would be March 1 of the current year).

Blank 5: Insert the ensuing budget year. (Taxes are collected in the year following the assessment.)

Blank 6-12: Insert the rate adopted for the various funds. (i.e. Thirty-five cents would be entered as .35; a rate of one dollar and fifteen cents (\$1.15) would be entered as 1.15.)

The last section is reserved for School Townships.

The certification section at the bottom should reflect the day, month and year of the adoption of the budget and signed by those members of the Township Board present and adopting the budget. There must be a minimum of two (2) members who sign the form. For township boards in a county with a population of more than 700,000, a minimum of four (4) members must be present and sign the form.

This completes Budget Form 5

| 0101 TOWNSHIP FUND | | Items | Total Estimate | Approved |
|--------------------|--|-------|----------------|----------|
| 1. | Personal Services | | | |
| | A. Salaries and Wages | | | |
| | a. Salary of Trustee | _____ | | |
| | b. Salary of Clerical Help | _____ | | |
| | c. Pay of Township Board | _____ | | |
| | d. _____ | _____ | | |
| | e. _____ | _____ | | |
| | f. _____ | _____ | | |
| | B. Employee Benefits | | | |
| | a. Social Security-Civil Township's Share | _____ | | |
| | b. Unemployment Compensation | _____ | | |
| | c. PERF | _____ | | |
| | d. Insurance | _____ | | |
| | e. _____ | _____ | | |
| | C. Other Personal Services | _____ | | |
| | | | _____ | _____ |
| 2. | Supplies | | | |
| | A. Office Supplies | | | |
| | a. Record Books..... | _____ | | |
| | b. Stationery and Office Supplies..... | _____ | | |
| | c. Printing | _____ | | |
| | B. Operating Supplies | _____ | | |
| | C. Repair and Maintenance Supplies | _____ | | |
| | D. Other Supplies | _____ | _____ | _____ |
| 3. | Other Services and Charges | | | |
| | A. Professional Services (Legal Services) | _____ | | |
| | B. Communications and Transportation | _____ | | |
| | a. Travel Expenses | _____ | | |
| | b. Telephone Tolls and Telegrams | _____ | | |
| | C. Printing and Advertising (Other Than Office Supplies) | _____ | | |
| | D. Insurance | | | |
| | a. Official Bonds..... | _____ | | |
| | b. Other Insurance | _____ | | |
| | E. Utility Services..... | _____ | | |
| | F. Repairs and Maintenance | _____ | | |
| | G. Rentals | | | |
| | a. Office Rent | _____ | | |
| | b. Office Telephone Rental | _____ | | |
| | c. Other Rentals | _____ | | |
| | H. Debt Service – Interest on Temporary Loans | _____ | | |
| | I. Care of Cemeteries | _____ | | |
| | J. Dues and Subscriptions | _____ | | |
| | a. _____ | _____ | | |
| | b. _____ | _____ | | |
| | c. _____ | _____ | | |
| | K. Training (Other Than Assessing) | _____ | _____ | _____ |
| 4. | Capital Outlays | | | |
| | A. Land | _____ | | |
| | B. Buildings | _____ | | |
| | C. Machinery and Equipment | _____ | _____ | _____ |
| | | | | |
| | Total General Government | ===== | ===== | ===== |
| | | | | |
| | Total Estimated Township Fund | ===== | ===== | ===== |
| | | | | |
| | TOWNSHIP BOND (DEBT SERVICE) FUND | | | |
| 3. | Other Services and Charges | | | |
| | A. Principal on Bonds | _____ | | |
| | B. Interest on Bonds | _____ | | |
| | | | | |
| | Total Estimated Township Bond (Debt Service Fund)..... | _____ | _____ | _____ |
| | | | | |

BUDGET ORDER

The budget order is the *final* action of the Department of Local Government Finance. All other work that a township may receive from the Department of Local Government Finance should be considered as “Work in Progress” and must not be considered as any type of approval. According to IC 6-1.1-17-16, the Department of Local Government Finance must certify all budgets on or before February 15 of the proposed budget year.

The “Budget Order” notifies the unit of the approved appropriations, property tax rate, and levy for each fund which was submitted. The “Budget Order” also informs the unit how much and to which fund to deposit the amounts carried in the Levy Excess Fund. This form will be utilized when preparing the proposed budget and should be filed for easy access.

The “Levy Excess Report of Taxes Collected in 20xx” notifies units of taxes collected in excess of the amount authorized. This report may be included with the “Budget Order” assuming that the Auditor has made the final distribution and reported such to the Department of Local Government Finance prior to the issuance of the “Budget Order”. If not, the report will be forwarded under separate cover. This statement informs the unit of each fund’s property tax collections in the immediately proceeding budget year. The figure shown as “100% of Cert. Levy” represents the amount of property taxes levied for each fund (Line 16 of Budget Form 4B as finally approved by the Department of Local Government Finance) multiplied by 100%. It is recommended that a new column in the ledger be made and entitled “Levy Excess”. Amounts collected in excess of the 100% must be disbursed from those funds and deposited in the “Levy Excess Fund”. The Department of Local Government Finance will reduce the ensuing budget levy (Line 16) in the same amount of the total in the Levy Excess Fund. In short, Levy Excess is treated as a prepayment of taxes.

The “100% of 20xx Budget Levy Certification” (See Appendix) shows the levy which was approved for each fund and the 100% calculation. Please refer to the note at the bottom of the form, which states that if the *total* amount of levy excess from all funds is less than \$100 there is no need to deposit that amount in the Levy Excess Fund.

The appendix includes an appropriation order that is approved for debt service funds only. The amount(s) represent appropriations *finally* approved by the Department of Local Government Finance for each debt service fund established, or one combined debt service fund. Each township’s appropriation ledger should be set up using the following budget classification (1000 – Personal Service; 2000 – Supplies; 3000 – Other Services and Charges; 4000 – Capital Outlays).

Appropriations may be transferred within each budget classification (i.e. Personal Services, Supplies, etc.). Appropriations may also be transferred between budget classifications (i.e. Supplies to Other Services and Charges); however, this type of transfer must be approved by the Township Board per IC 6-1.1-18-6.

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE
BUDGET ORDER AND 100% OF BUDGET LEVY CERTIFICATION

YEAR: _____ COUNTY: # and Name Unit: # and Name Type: _____
Following consideration...

| FUND: | Certified Budget | Certified AV | Certified Levy | Certified Rate |
|-------|------------------|--------------|----------------|----------------|
|-------|------------------|--------------|----------------|----------------|

0101 GENERAL

Comments pertaining to fund. This will include notification and authority to transfer money from the Levy Excess Fund.

FUND: 0708 LOCAL ROAD AND STREET
Comments pertaining to fund

FUND: 1312 PARK
Comments pertaining to fund

This form is the Department of Local Government Finance Budget Order. For each fund, the appropriation and rate approved by the Department of Local Government Finance is stated. Expenditures that exceed the stated appropriations must be accomplished by the Additional Appropriations procedure.

Note under the General Fund that the authority to transfer money from the Levy Excess Fund is authorized. This is the only notification given for the transfer.

Levy Excess Fund

Levy excess is a fund to set aside property tax collections in excess of 100% for a given calendar year. Money in this fund is used to reduce the ensuing year's property tax levy. This reduction is reflected on line 15 of Budget Form 4B. The Department of Local Government Finance notifies each taxing unit of moneys to be deposited into a levy excess fund on the levy excess worksheet provided to the County Auditor.

Summary

Chapter 6: Getting Started: Budget Forms



In this section, we have discussed the following:

- *Tips for putting together a local government budget.*
- *The Department of Local Government Finance Budget Order.*
- *Filling out Township Budget Form 2.*
- *Filling out Township Budget Form 3.*
- *Filling out Township Budget Form 4.*
- *Filling out Township Budget Form 4-B.*
- *Filling out Township Budget Form 5.*